



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

November 2, 2000

Wendell Owen, Mine Manager
Co-Op Mining Company
P. O. Box 1245
Huntington, Utah 84528

Re: Bear Canyon Mine Permit Renewal, Co-Op Mining Company, Bear Canyon Mine,
0015/025-RN00, Outgoing File

in hand
Dear Mr. Owen:

The permit renewal for the Bear Canyon Mine is approved with the following three conditions:

1. Co-Op Mining Company will submit water quality data for the Bear Canyon Mine beginning with data for the first quarter of 2001 in an electronic format through the Electronic Data Input web site,
<http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>.
2. Co-Op Mining Company will comply with any order issued as a result of the Informal Conference held October 27, 2000 for this permit renewal.
3. "Drainage or pumping of in-mine water to the old mine working north of the Big Bear and Birch Spring will be controlled and monitored as stipulated by the Division with revision of that procedure only as directed by the Division and with the prior approval of the Division." (Division Order, Informal Hearing, Cause No. ACT/015/025, Dated May 20, 1991, as Modified on April 18, 1997)

Enclosed are two (2) copies of the renewed permanent program mining and reclamation permit with the above-noted conditions. Please read the permit to be sure you understand the requirements of this permit, then have both copies signed by the appropriate Co-Op Mining Company representative and return one to the Division.

If you have any questions, please call me.

Sincerely,

Lowell
Lowell P. Braxton
Director

sm

Enclosures: (2)

cc: James Fulton, OSM
Price Field Office

O:\015025.BCN\FINAL\PERMIT\Decisiondoc2000.wpd

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT

For
PERMIT RENEWAL

Bear Canyon Mine
Co-Op Mining Company
C/015/025
Emery County, Utah
November 2, 2000

Contents

- * Administrative Overview
- * Permitting Chronology
- * Findings
- * Permit
- * Affidavit of Publication
- * AVS Compliance Memo

PERMIT RENEWAL

Administrative Overview

Bear Canyon Mine
Co-Op Mining Company
C/015/025
November 2, 2000

Background

The Bear Canyon Mine is a mine permitted by Co-Op Mining Company in the Huntington Canyon area. Room and pillar mining occurs in the Bear Canyon seam (middle seam) the Hiawatha seam (lower seam) and the Tank Seam. The permit area comprises 1377 acres and the disturbed area is 29.1 acres.

Public Notice and Informal Conference

The applicant mistakenly published notice of permit renewal on June 27, 2000. The North Emery Water Users Association (NEWUA) responded to that publication with a letter formally protesting permit renewal. On July 19, 2000 the Division notified NEWUA by letter that an informal conference would be scheduled 30 days after the last publication date of the permit renewal. On August 21, 2000, the Division again contacted NEWUA by phone for the purposes of scheduling an informal conference. At that time an official at NEWUA stated that they did not want a conference, but wanted to be on record to protest against the renewal.

The applicant was notified by the Division that the permit renewal application for the Bear Canyon Mine was administratively complete July 25, 2000. The applicant published notice for the five-year permit renewal for four consecutive weeks in the Emery County Progress, Salt Lake Tribune, and Deseret News ending on August 29, 2000. An objection by Huntington-Cleveland Irrigation Company was filed to the renewal of Co-Op Mining Company's permit and an informal conference was requested on August 17, 2000. The informal conference was held October 27, 2000.

Since the Bear Canyon Mine permit expires on November 2, 2000, the Division will renew the permit on that date, even though the Findings, Conclusions and Order of the October 27, 2000 informal conference have not been made. The permit will be conditioned that Co-Op Mining Company will comply with any Order issued as a result of the Informal Conference for this permit renewal held October 27, 2000.

Recommendation for Approval

The Division made the decision on November 2, 2000 to approve the permit renewal for five years based on the fact that 1) The terms and conditions of the existing permit are being satisfactorily met; 2) The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program; 3) The renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas; 4) The operator has provided evidence of having liability insurance and a performance bond which will be in effect for the operation and will continue in full force and effect; and 5) The permit is conditioned with the requirement to comply with any order issued as a result of the Informal Conference held October 27, 2000 for this permit renewal, to submit water quality data through the Electronic Data Input web site, and drainage or pumping of in-mine water to old mine working north of Big Bear will be controlled and monitored as stipulated by the Division.

PERMIT RENEWAL

Chronology
Bear Canyon Mine
Co-Op Mining Company
C/015/025
November 2, 2000

May 22, 2000	Co-Op Mining Company submits permit renewal application.
July 17, 2000	Letter from North Emery Water Users Association "formally protesting permit renewal" received by the Division in response to Public Notice in Emery County Progress published June 27, 2000. The Division notified the permittee that the public notice was premature since the Division had not determined the application complete.
July 19, 2000	Division notifies North Emery Water Users Association that an informal conference will be scheduled 30 days after the last Public Notice publication.
August 8, 15, 22, and 29, 2000	Co-Op Mining Company advertises public notice of permit renewal for the Bear Canyon Mine for four consecutive weeks.
August 17, 2000	Letter from Huntington-Cleveland Irrigation Company objects to renewal application and requests an informal conference.
August 21, 2000	Division contacts North Emery Water Users Association to schedule an informal conference. They state that the letter was a protest only and they are not requesting a conference.
October 2, 2000	Letter from Governor's Office of Planning and Budget, "no comment".
October 2, 2000	Letter from U.S. Fish and Wildlife Service with concerns relating to pending Wild Horse Ridge significant revision amendment.
October 2, 2000	Division advertises Public Notice in the <u>Sun Advocate</u> and <u>Emery County Progress</u> of informal conference to be held on October 27, 2000.
October 27, 2000	Informal Conference held.
November 2, 2000	Division renews the Bear Canyon Mine permit with three conditions. One of the conditions requires Co-Op Mining Company to comply with any Order issued as a result of the Informal Conference for this permit renewal held October 27, 2000.

PERMIT RENEWAL FINDINGS

Bear Canyon Mine
Co-Op Mining Company
C/015/025
November 2, 2000

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met. See original TA and TA modified January 8, 1998 (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. No violations have been issued in the last three years (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. See original TA. (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance in full effect (Federal Insurance Company, Policy 3710-74-68-ERG)(R645-303-233.140).
6. The operator has an Irrevocable Letter of Credit on file with the Division and has provided evidence that this instrument will remain in full effect. (Bank One Utah #1055 in the amount of \$899,000) (R645-303-233.150).
7. To date, the operator has submitted updated information as required by the Division through this permit term. (R645-233.160).

Acting Susan M. White
Permit Supervisor

Dan R. Haddock
Permit Supervisor

Acting Michael R. Haddock
Associate Director of Mining

James R. B. B. B.
Director

FEDERAL

PERMIT
C/015/025

November 2, 2000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340

This permit, C/015/025, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

Co-Op Mining Company
P. O. Box 1245
Huntington, Utah 84528
(435) 687-2450

for the Bear Canyon Mine. A collateral bond (Irrevocable Letter of Credit) is filed with the Division in the amount of \$899,000 payable to the State of Utah, Division of Oil, Gas and Mining and the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement. The Division must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the Bear Canyon Mine, situated in the state of Utah, Emery County, and located:

Township 16 South, Range 7 East, SLBM

Section 13: W1/2W1/2;
Section 14: S1/2,NE1/4;
Section 23: E1/2, E1/2 NW1/4, E1/2 SW1/4;
Section 24: All land West of North-South Trending Bear Canyon Fault;
Section 25: All land West of North-South Trending Bear Canyon Fault; and
Section 26: NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4 NE1/4 and the access/haul road and topsoil storage area as shown on Plate 2-1 of the Mining and Reclamation Plan

This legal description is for the permit area of the Bear Canyon Mine. The permittee is authorized to conduct coal mining and reclamation operations connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit expires on November 2, 2005.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13 {e} and R645-303.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of the OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220;
 - (b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-210 and 30 CFR 842, when the inspection is in response to an alleged violation reported to the Division by the private person.
- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- (a) Any accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - (b) Immediate implementation of measures necessary to comply; and
 - (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 9 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) Utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq), and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 18 SPECIAL CONDITIONS - There are special conditions associated with this permitting action, as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: Lance P. Braith

Date: 11/3/00

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A
Special Conditions

1. Co-Op Mining Company will submit water quality data for the Bear Canyon Mine beginning with data for the first quarter of 2001 in an electronic format through the Electronic Data Input web site,
<http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>.
2. Co-Op Mining Company will comply with any order issued as a result of the Informal Conference held October 27, 2000 for this permit renewal.
3. "Drainage or pumping of in-mine water to the old mine working north of the Big Bear and Birch Spring will be controlled and monitored as stipulated by the Division with revision of that procedure only as directed by the Division and with the prior approval of the Division." (Division Order, Informal Hearing, Cause No. ACT/015/025, Dated May 20, 1991, as Modified on April 18, 1997.)

143 SOUTH MAIN ST.
P.O. BOX 45838
SALT LAKE CITY, UTAH 84145
FED. TAX I.D. # 87-0217663

Newspaper Agency Corporation
The Salt Lake Tribune (NA) DESERET NEWS

CUSTOMER'S
COPY

PROOF OF PUBLICATION

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
CO-OP MINING COMPANY P.O. BOX 1245 HUNTINGTON UT 84528	C6872450L-07	08/29/00

RECEIVED

SEP 22 2000

DIVISION OF
OIL, GAS AND MINING

ACCOUNT NAME	
CO-OP MINING COMPANY	
TELEPHONE	INVOICE NUMBER
435-687-2450	TL8200SEDL1
SCHEDULE	
START 08/08/00 END 08/29/00	
CUST. REF. NO.	
CAPTION	
NOTICE Co-Op Mining Company,	
SIZE	
43 LINES 1.00 COLUMN	
TIMES	RATE
4	1.16
MISC. CHARGES	AD CHARGES
.00	199.52
TOTAL COST	
199.52	

NOTICE
Co-Op Mining Company, P.O. Box 1245, Huntington, Utah, 84528 hereby announces its intent to renew its coal mine and reclamation permit for coal mining activities of the Bear Canyon Mine. The permit No. ACT 015/025, issued Nov. 1, 1985, the Bear Canyon Mine is located in Bear Canyon, approximately 12 road miles west of Huntington, Utah. The permit area, found on the USGS Hualapai Quadrangle map, is described as follows: T14S, R7E, S18M, 1/4 Sec. 13, NE 1/4 Sec. 14, E 1/4 Sec. 15, NE 1/4 Sec. 24 West of NS Fault, All Sec. 25 West of NS Fault, NE 1/4 NW 1/4 NE 1/4 NW 1/4 and access/haul road and topsoil storage area, Sec. 26, as shown on Page 2-1 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 4524 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah, 84114-5801. Copies of the renewal application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Emery County Recorder's office, Emery County Courthouse, Castle Dale, Utah, 84513. 8200SEDL

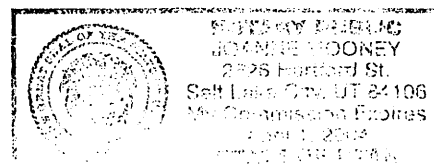
AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ADVERTISEMENT OF NOTICE Co-Op Mining Company, FOR CO-OP MINING COMPANY WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON START 08/08/00 END 08/29/00

SIGNATURE James Hong

DATE 08/29/00



THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Kevin Ashby, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 8th day of August, 2000 and that the last publication of such notice was in the issue of such newspaper dated the 29th day of August, 2000.



Kevin Ashby - Publisher

Subscribed and sworn to before me this 29th day of August, 2000.



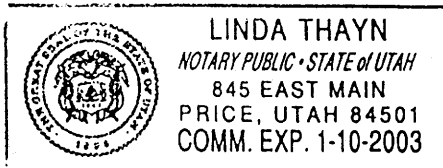
Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 104.00

NOTICE

Co-Op Mining Company, P.O. Box 1245, Huntington, Utah 84528 hereby announces its intent to renew its coal mine and reclamation permit for coal mining activities at the Bear Canyon Mine, Permit No. ACT/015/025, issued Nov. 12, 1985. The Bear Canyon Mine is located in Bear Canyon, approximately 12 road miles west of Huntington, Utah. The permit area, found on the USGS Hiawatha Quadrangle map, is described as follows: T16S, R7E, SLBM, W1/4, Sec. 13; NE 1/4 SW 1/4, SE 1/4, Sec. 14; E 1/2, E 1/2 W 1/2, Sec. 23; All Sec. 24 West of N-S Fault; All Sec. 25 West of N-S Fault; NE 1/4 NE 1/4, NW 1/4 NE 1/4, N 1/2 SW 1/4 NE 1/4 and access/haul road and topsoil storage area, Sec. 26; as shown on Plate 2-1 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801. Copies of the renewal application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Emery County Recorder's office, Emery County Courthouse, Castle Dale, Utah 84513.

Published in the Emery County Progress August 8, 15, 22 and 29, 2000.



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SEP 22 2000

DIVISION OF
OIL, GAS AND MINING



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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November 2, 2000

TO: Internal File

FROM: Susan M. White, Acting Permit Supervisor *SMW*

RE: Compliance Review for Section 510 (c) Findings, Co-Op Mining Company,
Bear Canyon Mine, C/015/025-RN00, Compliance

As of the writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected. There are no finalized Civil Penalties which are outstanding and overdue in the name of Co-Op Mining Company. Co-Op Mining Company does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The Applicant Violator System (AVS) was verified for this permit renewal.

sm

O:\015025.BCN\FINAL\PERMIT\AVS memo.wpd

Application Evaluation Report Applicant Violator System 01-Nov-2000 11:39:10

State : UT Permit No : ACT015025 Appl No : ACT015025
Permittee : 089059(CO OP MINING CO) Seqno : 1
Applicant : 089059(CO OP MINING CO)

OSMRE: Comments/Analysis: Date : 01-Nov-2000 Mode : VIEW
There were no violations retrieved by the system. av

SRA: Comments/Analysis: Date : 01-Nov-2000 Mode : UPDATE

SAVE(F5) DELETE(F8)
PRU_SCR(F3) QUIT(F4) CHOICES(F10)